

O 164 0002 1045

Ref Doc 500-a-16

JAPANESE TRADE STUDIES

Special Industry Analysis
No. 16

HIDES AND SKINS, TANNING MATERIALS, LEATHER,
AND LEATHER MANUFACTURES

Prepared for the
Foreign Economic Administration
by
Ralph A. Wells
a member of the staff of the
United States Tariff Commission

Ralph A. Wells
Smith

May 1945

PURL: <http://www.legal-tools.org/doc/0df862/>

A-16

FOREWORD

This is one of a series of Special Industry Analyses discussing from a commodity or individual industry point of view the outstanding items entering into the trade of Japan proper with its Empire and with foreign countries. These analyses are a part of a larger project which includes compilations (annotated) of the imports and exports of Japan proper by sources and destinations; surveys of certain of the colonial areas, emphasizing their Empire and foreign trade and post-war problems relating thereto; an over-all study of the trade of Japan proper; and a survey of Japan's shipbuilding industry and shipping services and requirements in the pre-war period. In all of the studies Manchuria has been included as an Empire area owing to the political, economic, and military dominance of Japan in that area, especially during the last decade.

Most of the data in these analyses were taken from official and semi-official Japanese sources. Not only have errors and inconsistencies frequently been detected within individual volumes, but many data from different sources supposedly reporting on the same subject are irreconcilable. It is very likely that large shipments of goods reportedly moving to Kwantung from Japan have been in large part merely transhipments destined for Manchuria. In addition, the data probably exclude large shipments of commodities sent to and from Empire areas for military purposes.

The present report is one of a number which were prepared during 1944 and 1945 for the Foreign Economic Administration by members of the staff of the United States Tariff Commission. Owing to the desire of the Foreign Economic Administration to obtain this material as promptly as possible, the reports were not reviewed by the Tariff Commission. All statements of fact or opinion in these reports are attributable to the individual staff members who prepared them. The reports were originally intended for confidential use of Government agencies, but are now being made public with the consent of the Foreign Economic Administration.

A-16

CONTENTS

	Page
Summary statement	1
Part I—hides and skins	3
Introduction	3
Description and uses	3
Summary of production, imports, exports, and apparent consumption	3
Production	5
Imports	6
Exports	7
Post-war problems	8
Part II—Tanning materials	9
Part III—leather	11
Introduction	11
Description and uses	12
Summary of production, imports, exports, and apparent consumption	12
Production	14
Imports	15
Exports	17
Consumption	18
Post-war problems	18
Part IV—leather manufactures	19
Introduction	19
Description and uses	19
Summary of production, imports, exports, and consumption	20
Production	21
Imports	22
Exports	22
Consumption	24
Post-war problems	24

TABLES

Table 1.— Summary of production, imports, and apparent consumption, Japan proper and Karafuto, 1928-39 with 5-year average, 1928-32 and 1933-37	PURE: http://www.legal-tools.org/doc/0df862/
Table 2.— Production in Japan, 1928-39	6
Table 3.— General imports into Japan proper and Karafuto, by principal sources, averages, 1928-32 and 1933-37 and 1938	7
Table 4.— Tanning materials: General imports into Japan proper and Karafuto, by principal source, average, 1928-32, 1933-37 and annual, 1938-39	10
Table 5.— Tanning extracts: General imports into Japan proper and Karafuto, by principal sources, average, 1928-32, 1933-37 and annual, 1938-39	10

A-16

TABLES-Continued

Page

Table 6.- Leather: Summary of production, imports, exports and apparent consumption, Japan proper and Karafuto, 1928-38 with averages, 1928-32, 1933-37	13
Table 7.- Leather: Production in Japan proper by all plants (regardless of size) 1928-38 with averages, 1928-32, 1933-36	14
Table 8.- Leather: Imports into Japan proper and Karafuto from principal sources, 1928, 1933, and 1937-39	16
Table 9.- Leather: Exports from Japan proper and Karafuto, to principal markets, 1928, 1933, and 1937-39	17
Table 10.- Leather manufactures: Summary of production, imports, exports, and apparent consumption, Japan proper and Karafuto, 1928-39 with averages, 1928-32, 1933-37	20
Table 11.- Leather manufactures: Production by kinds, Japan proper, 1929-38	21
Table 12.- Leather manufactures: Exports from Japan proper and Karafuto, by kinds, 1928, 1933, and 1937-39	23

A-16

HIDES AND SKINS, TANNING MATERIALS, LEATHER,
AND LEATHER MANUFACTURES

SUMMARY STATEMENT

The geographic, agricultural, and economic conditions of Japan have not been conducive to the raising of livestock; the restricted area, the high value of the land, and the large population to be supported make it more necessary to carry on intensive cultivation of various crops. Japan has been, therefore, of minor importance as a producer of hides and skins. It also has been a relatively unimportant producer and exporter of leather and leather manufactures; the principal nations producing and exporting these products are the United States, the United Kingdom, Germany, and France. Although the production of leather and leather manufactures has been important to the economy of Japan, these industries have ranked low in the employment of labor and value of output in comparison with all Japanese manufacturing industries. According to official statistics, the value of leather production in Japan amounted to 33.6 million yen in 1935 and 45.9 million yen in 1936. The value of production of leather goods (boots, shoes, and other manufactures of leather) in the same years was 36.7 million yen and 41.8 million yen respectively. Production by all Japanese manufacturing industries (in plants employing more than five operatives), was valued at 10.8 billion yen in 1935 and 12.3 billion yen in 1936. In neither of these 2 years, therefore, did the production of leather and leather goods combined equal as much as 1 percent of total industrial production.

Under normal trade conditions the leather industry was dependent on foreign sources of supply for 70 to 80 percent of the hides and skins it consumed. With respect to tanning materials and extracts used in making leather, Japan produced only small quantities and was largely dependent on imports to meet requirements. Trade in leather was on the whole small; non-Empire countries were the principal sources of imports, while Empire areas were the principal markets for exports. During each of the years 1933-37 the value of exports of leather manufactures was many times the value of imports. In most years, other than Empire areas were the principal markets for exports.

PURL: <http://www.legal-tools.org/doc/0df862/>

Japan has in fact been a net importer of hides and skins, tanning materials, and leather to such an extent that its exports of leather goods, while they increased considerably in the decade after 1930, did not, in terms of value, offset the imports of raw materials sufficiently to change the country's position as a net importer of the commodities involved. The following tabulation shows, in millions of yen, the average annual net value of Japan's trade in each of the products covered in this report, and the over-all exchange or net trade position of the industry in the periods 1928-32 and 1933-37:

4- 2

Net Imports (-)	(1928-32)	(1933-37)
Hides and skins -----	-11.2	-26.1
Tanning materials -----	-3.5	-6.5
Leather -----	-4.4	-2.1
Total -----	-19.1	-34.7

Net Exports (+)		
Leather goods -----	+1.8	+13.3
Remainder (net imports plus net exports) -----	-17.3	-21.4

This tabulation indicates that the doubling in value of imports of hides and skins and tanning materials in the later period compared to the former was almost completely offset by the increased exports of leather goods and the slight decline in leather imports.

The continued existence of the Japanese leather and leather goods industries appears essential to Japanese economy. Because Japanese producers are better able to meet the specifications of individual domestic consumers and because the types of leather used in Japan are lower in grade and quality than those generally exported by the leading leather producing countries it would seem wiser in the post-war years to export raw materials (hides, skins, tanning materials, and tanning extracts) to Japan rather than leather. Some types of specialty leather products (such as leather belting) will probably have to be imported, the amount depending largely on the degree of industrialization allowed in Japan after the war.

In order to supply the minimum requirements of raw materials for Japan's essential civilian and industrial uses of leather it is believed that about 300,000 piculs¹ of hides and skins (chiefly cattle hides) would be needed annually. Of this total about 45,000 piculs could be obtained from former Empire areas. The annual import requirements of tanning materials would be about 200,000 piculs and of tanning extracts 150,000 piculs. On the basis of pre-war values, such imports would probably have a value about as follows: Hides and skins, 15 million yen; tanning materials, 1.9 million yen; and tanning extracts, 2.6 million yen. Most of the tanning materials and extracts would have to be imported from Argentina, South Africa, India, and Malaysia.

In the post-war years exports of leather from Japan to China and other Asiatic countries, for relief supplies or for reparation purposes, could be increased if a sufficient quantity of hides, skins, tanning materials, and extracts were made available to the Japanese tanning industry from abroad. Because of bombing, however, many of the large leather goods plants may have to be rebuilt and equipped with new machinery and belting. In the meantime, the many small shops, which formerly operated by individuals assisted by one or more helpers, can again return to production of leather goods and probably will be able to supply the essential minimum Japanese civilian requirements.

This report is divided into four main sections as follows: (I) Hides and skins; (II) Tanning materials and extracts; (III) Leather; and (IV) Leather manufactures.

¹/ 1 picul = 100 kin = 132.27 pounds.

A-16

3

PART I—HIDES AND SKINS

Introduction.

In comparison with the leading hide and skin producing and consuming countries, Japan is an unimportant producer or exporter of hides and skins. Domestic production of hides and skins has been insufficient to meet the raw stock requirements of the Japanese leather industry; about 80 percent of consumption has been supplied by imports.

All suitable hides and skins have been used in recent years by the Japanese for the production of leather for the armed forces, for essential war uses, and to a limited extent for exportation in the form of leather manufactures. Because of the urgent necessity for conserving supplies of hides, skins, and leather for war requirements, the sale, production, importation, exportation, distribution, and consumption of these materials have been closely controlled by the government.

Description and uses.

Virtually all hides and skins produced in Japan, ~~as well as those~~, those imported, are tanned into leather, chiefly sole leather and upper leather. The principal kinds of hides and skins in order of importance are cattle, calf, pig and hog, and horse. Because of insufficient supplies of cattle hides, increasing amounts of pigskins are being used to produce leather for shoe uppers for military and civilian use. Sizable quantities of the skins of whales, sharks, dolphins, salmon, and codfish are also being tanned into leather for civilian use, but these skins are inadequate both as to quantity and quality to replace the more important kinds. The output of imitation leather in recent years has been expanded in order to meet the shortage of natural leather, and is used chiefly in bags, linings, and containers.

In time of peace the Japanese military requirements for leather have amounted to about one-third of the total national requirements. Almost the entire supply of suitable hides and skins is now used for the production of leather for essential war uses.

PURL: <http://www.legal-tools.org/doc/0df862/>Summary of production, imports, exports, and apparent consumption.

Japanese consumption of hides and skins increased rapidly during 1928-33. While production showed some increase it did not in any measure keep pace with consumption. While production supplied about a quarter of consumption in 1928-32, by 1933-37 production was 128,000 piculs and consumption 667,000 piculs. Thus Japan has become more and more dependent on foreign sources to supplement the inadequate domestic supply of hides

A-16

4

and skins; most of these imports were obtained from countries other than Empire areas. About 474,000 piculs of hides and skins were obtained annually from foreign sources while 65,000 piculs came from Empire areas in the period 1933-37. During the 5 years 1933-37 imports of cattle and buffalo hides, by weight, averaged over 80 percent of the total imports of hides and skins. During the same period cattle hides, by weight, accounted for about 60 percent of Japanese production of hides and skins.

Table 1.- Hides and skins: Summary of production, imports, and apparent consumption, Japan proper and Karafuto, 1928-39 with 5-year average, 1928-32 and 1933-37

(In 100 kin (1 picul))

Year	Production ^{1/}	Imports			Apparent consumption
		From Empire areas	From other areas	Total	
1928	111,165	56,336	205,450	261,786	372,951
1929	114,759	55,074	263,238	373,371	433,071
1930	100,601	52,377	220,037	322,478	373,015
1931	107,759	73,040	237,647	317,736	418,446
1932	126,774	70,729	246,111	317,844	443,614
Average, 1928-32	112,212	61,511	234,497	300,000	408,220
1933	127,805	71,499	202,504	274,000	521,808
1934	120,038	56,666	197,770	210,434	574,474
1935	122,108	66,023	184,663	216,711	673,691
1936	130,331	61,935	495,410	557,256	687,676
1937	139,000	68,110	669,522	746,632	876,632
Average, 1933-37	128,036	64,847	473,973	535,750	666,856
1938	135,105	78,827	475,227	553,052	689,159
1939	140,451	2/ 18,266	498,970	565,250	657,687

1/ Official Japanese statistics of production, reported in number, have been converted to weight on the basis of 32 pounds each for cattle hides, 25 pounds for horsehides, 8 pounds for calfskins, 4 pounds for swine, 2 pounds for sheepskins, and 2 pounds for goatskins.

2/ Korea, Formosa, Manchuria, and Kwantung. Does not include Mandated Islands for which statistics are not available; such imports probably are negligible.

3/ Does not include Formosa.

PURL: <http://www.legal-tools.org/doc/0df862/>

Source: Production, Consular report 1941, showing data obtained from the Statistical Abstract of the Department of Agriculture and Forestry, Japan; imports, compiled from official annual and monthly statistics of

Note. Imports of hides and skins, not separately classified in export statistics, probably are negligible.

A-16

5

Production.

Despite efforts to develop the livestock industry in Japan, domestic production of hides and skins has supplied a declining proportion of the total amount consumed by the Japanese leather industry. In 1928-32 production averaged about 112,000 piculs or 27 percent of consumption, but in 1933-37 production of 128,000 piculs supplied only 19 percent of the total amount consumed.

Official statistics reporting the census of livestock in Japan proper are incomplete after 1936 because data covering horses were regarded as a military secret after that year and were not included in the statistics. On the basis of quantity, cattle are the most important livestock raised, followed by horses, swine, goats, and sheep. During 1928-36 the number of horses in Japan ranged from 1,541,000 (1932) to 1,432,000 (1936). It is estimated that by the end of 1939 the total number declined to approximately 1,000,000. The number of domestic animals other than horses in Japan proper increased steadily although not markedly during 1928-39. Cattle increased from 1,483,000 head in 1928 to 1,967,000 head in 1939, swine from 764,000 to 1,070,000, goats from 208,000 to 287,000, and sheep from 19,000 to 149,000.

In accordance with the local law, the killing of all animals is done in slaughterhouses. Public abattoirs at the end of 1939 numbered 708, representing a gradual decline from the peak of 734 reported at the end of 1936. Most of these slaughterhouses have very small capacities.

In general, figures covering the number of animals slaughtered in public abattoirs serve as a fair index to domestic supplies of hides and skins. (See table 2.) In the case of horses, however, it is believed that more die from natural causes than are killed in slaughterhouses.

A-16

7

Table 3.- Hides and skins: General imports into Japan proper and Karafuto, by principal sources, averages, 1928-32 and 1933-37 and 1938

Country	Average	Average	1938
	1928-32	1933-37	
Empire areas:	:	:	:
Manchuria -----	59	903	1,563
Kwantung -----	615	69	26
Korea -----	1,619	1,808	5,162
Formosa -----	167	253	807
Other:	:	:	:
China -----	4,259	6,949	3,082
United States -----	2,999	6,132	10,954
Argentina -----	250	1,861	6,884
Australia -----	265	1,981	2,264
All other -----	985	6,141	3,053
Total -----	11,218	26,097	33,795
	:	:	:

Source: Compiled from the official Monthly and Annual Statistics of Japan, Korea, and Formosa.

The Japanese Government made every effort to increase shipments of hides and skins from those parts of the Asiatic continent under its military domination. The shipments of hides and skins from Empire areas to Japan have, however, been relatively unimportant compared with imports from foreign countries, accounting for about 10 to 15 percent of total Japanese imports of these products. During the years 1928-32 exports of hides and skins from Korea to Japan (expressed in 100 kin) averaged 35,723 piculs; for the years 1933-37 exports averaged 34,824 piculs, in 1938 they reached a peak of 45,004 but declined in 1939 to 9,763 and in 1940 to 7,316. Exports from Formosa to Japan are much less important than those from Korea. During the 5-year period, 1928-32 exports from Formosa to Japan averaged about 8,000 piculs; for the years 1933-37 exports averaged 10,262, and in 1938 reached a peak of 19,666, but in 1939 and 1940 declined to about 1,000 piculs. Before 1939 exports of hides and skins from Formosa were mainly water buffalo hides and cattle hides and small amounts of pigskins. In 1939 this position was reversed and about 90 percent of all hides and skins exported were pigskins and only 10 percent hides of water buffaloes and cattle.

PURL: <http://www.legal-tools.org/doc/0df862/>

Exports.

Hides and skins are not separately classified in Japanese export statistics. Only very small amounts of these products are exported, and virtually all of them are shipped to consumers in neighboring countries where a demand prevails for the cheaper varieties.

A-16

9

PART II—TANNING MATERIALS

Tanning materials and extracts are consumed in Japan not only for tanning purposes but also to prevent decay of fish nets and as a mordant in dyeing operations. Domestic production of tanning materials is so small in Japan that it is very largely dependent on foreign sources to meet its requirements. Production of tanning materials from natural substances such as gall nuts, oak and larch bark, and the like, reportedly had declined in recent years and strenuous efforts were made to increase the production of synthetic or substitute tanning extracts. In 1938, Japanese production amounted, however, to only about 1 million kin with a value of 1 million yen. The sharply increased imports of tanning materials—55 million kin valued at 8.4 million yen in 1938 and 99 million kin valued at 15.9 million yen in 1939—indicates also that these efforts were not very successful. Imports in earlier years had been considerably smaller and required relatively modest amounts of exchange. In 1933-37, for instance, imports of tanning materials were valued at 2.2 million yen and of tanning extracts at 4.3 million yen, a total of only 6.5 million yen; this compares with a total of 3.5 million yen annually in 1928-32.

Official control over the distribution of tanning materials and extracts was provided for by Department of Commerce and Industry Ordinance No. 60, promulgated in Kampo on June 23, 1941. The products covered by this Ordinance included all imported and domestic tanning materials and extracts as well as synthetic tanning chemicals.

Outstandingly the most important tanning extract imported is quebracho extract from Argentina, Paraguay, and Uruguay. The other principal tanning materials imported by Japan include wattle bark from South Africa, Kenya, Uganda, and Tanganyika; myrobolans from Southeastern Asia and oak bark and nut galls from China, Hong Kong, and British India. Other products include catechu (cutch) and gambier extracts from British Borneo and the Straits Settlements. Imports of tanning materials and extracts during 1939 set a new all-time record by very significant margins. Compared with 1938, imports of tanning materials were 60 percent by volume greater; imports of tanning extracts, however, showed a gain of about 100 percent over 1938.

Because production of tanning materials and tanning extracts is so small and exports are nil, imports for all practical purposes may be considered as apparent consumption. Imports of tanning materials and tanning extracts by principal countries are given in table 4 and 5, respectively.

A-16

11

If Japan is permitted to continue producing leather after the war, tanning materials and tanning extracts will have to be supplied almost wholly by foreign countries. As previously indicated the most important tanning extract consumed is quebracho, which may be imported in desired quantities from Argentina. Other tanning materials such as wattle bark or extract may be imported from South Africa, and myrobalans from Southeastern Asia. Imports will have to be obtained in about similar proportions and from practically the same foreign sources as in the pre-war years, because the various types of tanning materials and extracts cannot usually be used interchangeably. The amounts of exchange involved in importing tanning materials and extracts is relatively small, and probably will not amount to more than 4 to 6 million yen annually after the war. If Japanese exports of leather manufactures are curtailed or prohibited after the war, the requirements of tanning materials and tanning extracts would be considerably reduced. It appears there will be ample world supply of tanning materials and extracts to supply world needs after the war.

PART III--LEATHER

Introduction.

Although there has been a rapid growth of the Japanese leather industry in recent years the value of leather produced still remains less than 1 percent of the value of production of all Japanese manufacturing industries. Of the total import trade of Japan proper (including Karafuto), in manufactures for further use in manufacturing, the value of leather has accounted for about 1 percent; of the total export trade in this category, leather has represented less than one-half of 1 percent. Compared with the leading leather producing countries Japanese production and foreign trade in leather has been relatively unimportant.

The major portion of Japan's requirements for leather are met by domestic production. During the years 1928-38, with the exception of 1938 the annual value of imports of leather exceeded the value of exports. In general, imports consisted of finished leathers of special grades and qualities not readily available in Japan, and of rough-tanned leathers to be further processed by the domestic tanning industry. Exports of leather generally consisted of the cheaper grades and qualities, which were not required by the military or for industrial uses in Japan proper, and for which there existed a demand, especially in Empire Areas.

Starting in 1938, 1 year after the outbreak of hostilities in China, there began the gradual elimination of a number of medium and small-scale Japanese tanning plants. Since 1941, under official auspices, drastic reorganization of the Japanese leather industry, along with the cotton, rubber and other industries, has been effected. Through amalgamation of factories, and the formation of blocs of tanners the number of tanneries in Japan proper, which stood at 700 in 1938, will, according to reports, be reduced to between 30 and 40 with 8 large concerns and their affiliates dominating the leather industry.

Table 6.- Leather: Summary of production, imports, exports and apparent consumption, Japan proper and Karafuto, 1928-38 with average, 1928-32, 1933-37

Year	Production ^{1/}	Imports		Exports		Apparent consumption
		From Empire areas ^{2/}	Other	To Empire areas ^{2/}	Other	
1928	53,365	202	:	7,708	1,940	218
1929	24,376	211	:	7,283	1,532	147
1930	25,666	226	:	4,985	1,097	164
1931	18,391	260	:	4,344	857	94
1932	19,976	505	:	3,614	1,143	99
Average, 1928-32	28,355	281	:	5,587	1,314	144
1933	26,538	656	:	3,933	1,929	115
1934	33,863	600	:	4,830	2,482	195
1935	33,569	900	:	4,944	4,009	449
1936	45,945	832	:	5,464	3,523	2,487
1937	68,883	1,699	:	7,520	4,971	831
Average, 1933-37	41,760	937	:	5,338	3,383	815
1938	102,270	4,536	:	1,848	6,102	320
		:	:	:	:	:

1/ Shokoso Tokei Hyo (Statistical Abstract of the Department of Commerce and Industry, Tokyo.

2/ Korea, Formosa, Manchuria, Kwantung, and Mandated Islands.

Source: Compiled from official annual and monthly statistics of Japan, Formosa, Korea, and Mandated Islands.

A-16

15

The total value of leather produced increased from 28.3 million yen annually in 1928-32 to 35 million yen in 1933-36. Cow and calf leather (mostly cow) known in the United States as cattle hide leather, is by far the most important kind produced in Japan. In 1936, the last year for which detailed statistics for cow and calf leather are available, production amounted to 3.2 million sheets (pieces) valued at 40.8 million yen, or about 90 percent of total value of leathers produced in Japan. Sole and upper leather for footwear and industrial leathers are the principal kinds produced from cattle hides and calfskins.

Production of imitation leather in Japan has been expanded in recent years in order to meet the current shortage of genuine leather. Figures are available only for plants employing more than 5 operatives each engaged, among other things, in the production of imitation leather cloth. The average annual value of imitation leather cloth produced during the years 1929 to 1931 inclusive was 2.5 million yen; from 1932 to 1935 inclusive the corresponding annual average was 4.6 million yen. In 1938 the value of production increased to 10.7 million yen, and it is estimated that in 1939 and 1940 it reached about 15 million yen.

Imports.

During the 5-year periods 1928-32 and 1933-37 the value of leather imports into Japan proper averaged only about 6 million yen or 15 percent of the value of leather consumption. Because of the marked increase in the value of leather production in 1937 and 1938, imports, although reaching peak levels of recent years, amounted in these 2 years to about 13 and 6 percent of the value of consumption respectively.

17 A-16

Exports.

Exports of leather have never been very large in relation to total Japanese trade or in relation to exports of leather manufactures. In the period 1928-39, the annual value of leather exports, with the exception of 1938, was less than the annual value of imports. Nearly all of the exports, which reached a peak value of 6.4 million yen in 1938 compared with 2.2 million in 1928, were to Empire areas. Exports consisted chiefly of bovine leathers such as sole and upper leather with Korea, Manchuria, and Kwantung the principal markets. A large two-way trade existed between Korea and Japan. Much of the leather shipped from Korea to Japan was rough-tanned; it was further processed and then reexported in the finished state to Korea.

Table 9.- Leather: Exports from Japan proper and Karafuto, to principal markets, 1928, 1933, and 1937-39

Exported to	1928	1933	1937	1938	1939
Quantity (100 kin (1 picul))					
Empire areas:	:	:	:	:	:
Manchuria	361	929	4,836	7,052	945
Kwantung	4,531	3,900	8,373	7,362	1,172
Korea	5,916	8,016	2,116	10,669	5,965
Formosa	1/	1/	1/	1/	1/
Mandated Islands	1/	1/	1/	1/	1/
Total Empire area	9,908	12,845	15,325	25,083	8,082
Foreign countries:	:	:	:	:	:
China	478	249	446	191	278
All other countries	505	241	2,829	116	252
Total foreign countries	983	490	3,275	307	530
Total	10,891	13,335	18,600	25,390	8,612
Value (1,000 yen)					
Empire areas:	:	:	:	:	:
Manchuria	73	97	644	1,744	387
Kwantung	713	409	1,113	1,491	367
Korea	788	985	2,435	2,059	1,376
Formosa	366	438	780	807	1/
Mandated Islands	1/	1/	1/	1/	1/
Total Empire area	1,940	1,929	4,972	6,101	2,130
Foreign countries:	:	:	:	:	:
China	73	67	191	274	307
All other countries	145	48	638	45	83
Total foreign countries	218	115	829	319	390
Total	2,158	2,044	5,801	6,420	2,520

1/ Not available.

Source: Compiled from official annual and monthly statistics of Japan, Formosa, Korea, and Mandated Islands.

A-16

19

PART IV--LEATHER MANUFACTURES

Introduction.

While Japan was a heavy importer of hides and skins and tanning materials and extracts, and its trade in leather was small, it was on a modest scale an exporter of leather manufactures. In the period 1928-32 exports were valued at only about 2 million yen annually, but by 1935 exports were 23.9 million yen, and in 1936 were 22.3 million yen. In these 2 years leather goods accounted by value for about three-fourths of 1 percent of total exports from Japan to all areas. The production of leather goods continued to increase thereafter, but exports declined, owing to greatly increased consumption for military purposes.

Prior to 1937 restrictions on the consumption of leather in Japan were put in effect, and since 1937 supplies of leather have been restricted in such a manner as to favor the larger plants which turned out goods mainly for military use and for export purposes. Large numbers of small establishments engaged in the manufacture of leather goods have been forced out of business in recent years owing to difficulties in obtaining leather and other raw materials. Since 1941 the leather goods industry of Japan, under the Government's plan, has been drastically reorganized in a way somewhat similar to the reorganization of the tanning industry.

Description and uses.

Leather footwear is the outstanding product turned out by the Japanese leather goods industry; other less important products are luggage, saddlery, belting, purses, and many miscellaneous leather articles. The requirements of the military for footwear and other end products of leather during the war have practically eliminated the use of those products by the civilian population except when made of substitute materials, or kinds of leather which do not meet military specifications. In the manufacture of bags, linings and containers in general for civilian use, substitutes for leather such as imitation leather, silk leather, staple fiber leather, and similar products are being used. Cotton and rubber belts are being used as a substitute for industrial leather belting. In the uppers of footwear for civilian use, shark, whale, and donkey leather are being substituted for cow leather; and whale leather, reclaimed rubber, and silk plastics are being used in place of regular sole leather.

Manufactures of leather such as footwear, certain types of gloves, garments, cases, and many other leather articles are strategic commodities essential for military and civilian uses. Because of the strict control of the Japanese Government over the end uses of leather, military requirements are filled, and civilian demand is not permitted to compete for leather products needed for war activities.